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January 11, 2008

Arizona Corporation Commission DOCKETED

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Report Regarding Layoff of AT&T Employees in Arizona Pursuant to Decision No. 68865; Docket Nos. T-02428A-06-0203, T-03016A-06-0203, T-03116A-06-0203. T-03287A-06-0203 and T-03346A-06-0203

Dear Mr. Johnson:

HAND DELIVERED

Ernest Johnson, Director

**Arizona Corporation Commission** 

**Utilities Division** 

1200 W. Washington Phoenix, AZ 85007

On behalf of AT&T Inc. ("AT&T"), the purpose of this report is to provide further information regarding the layoff of AT&T employees located in Arizona who were given notice of a surplus condition and for which AT&T provided the Commission notice on September 14, 2007. No facility closure was involved. This report is provided pursuant to the first ordering paragraph at page 10 of Decision No. 68865.

The layoffs were necessary due to a consolidation of operations and/or business restructuring caused by market forces as customers move away from traditional wireline services to other alternatives. The force reduction involved two (2) management employees in the World Wide Customer Service organization, three (3) management employees in the Bill Print operations, one (1) management employee in the AT&T Mobility organization and one (1) management employee in the Customer Information Services organization. In an effort to redeploy those employees within AT&T, the employees retained access to the internal AT&T job search system. However, the employees did not locate another position within AT&T and thus received a severance package. If you have any questions regarding this report, please feel free to contact me at (512) 870-2280. Also, you can contact our local counsel, Mike Grant with Gallagher & Kennedy, P.A., at (602) 530-8291.

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Very truly yours,

Sharon Mullin

Director

AT&T Services, Inc.

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cc (delivered): Ernest Johnson, Utilities Division (Delivered)
Mike Grant, Esq.

Original and 23 Copies filed with Docket Control this 11th day of January, 2008.